## WRITTEN ANSWERS TO UNSTARRED QUESTIONS

### Sale of Khadi products

3197. SHRI S. P. M. SYED KHAN:
DR. K. MALAISAMY:

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Khadi products could not compete with other similar products in the open market in view of low productivity and high cost of Khadi products;

(b) if so, the measures to promote and protect them from this threat;

(c) whether Government are aware that there are umpteen number of fake and bogus products in the open market and even in the Khadi vastralaya outlets under the name and style of Khadi and are sold at cheaper rates than of khadi products; and

(d) the measures and methods to check this evil?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) The price of Khadi products is worked out based on a cost chart system which takes into consideration all inputs. A major part of Khadi cost is attributable to the wages of spinners and weavers. Considering the distinct nature of Khadi activity, the pricing of its products is not strictly comparable with that of other textiles in the market.

(b) The Khadi and Village Industries Commission (KVIC) has taken several measures to promote Khadi products and make them available at affordable prices to the customers. These include providing rebate on sales, establishing 6 sliver plants in different parts of the country to provide quality raw material to the Khadi institutions, on soft terms, tying-up with the Textiles Committee, to make use of their laboratory facilities for testing Khadi product samples, implementing Product Development Design Intervention and Packaging (PRODIP) for imporoved design and packaging of Khadi products, etc.

(c) Khadi has been defined in the Khadi and Village Industries Commission Act, 1956 and all transactions involving sale and purchase of Khadi are limited to Khadi institutions certified by the Central Certification Committee of the KVIC. There is a certification system to check the genuineness of Khadi sold through Khadi Vastralayas/Bhavans. Thus, Khadi products sold in Vastralayas/Bhavans are genuine. However, Khadi

being a generic name of handspun/hand-woven textile, sale of fake products in the name of Khadi by others in the open market cannot be completely ruled out.

(d) The measures taken by KVIC to check such malpractices include instituting a certification system for ensuring the genuineness of Khadi products, conducting periodical inspections/audits, launching a branch name "Khadi India" for khadi and village industry products, etc.

**Progress in khadi and village industries**

†3198. SHRI LAXMINARAYAN SHARMA: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:-

(a) the progress made in khadi and village industries during the last three years;

(b) if not, the reasons therefor; and

(c) the measures being taken to promote and to popularize the khadi and village industries; and

(d) whether there is any proposal to provide financial assistance for the same?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) The progress of the khadi and village industries, in terms of value of production and sales and of employment, during the last three years, is as under:

| Year | Production (Rs. crore) | | Sales (Rs. crore) | | Employment (lakh persons) | |
|---|---|---|---|---|---|---|
| | Khadi | Village Industry | Khadi | Village Industry | Khadi | Village Industry |
| 2002-03 | 443.07 | 8126.30 | 577.63 | 9615.71 | 8.58 | 57.87 |
| 2003-04 | 453.50 | 9228.27 | 587.04 | 10988.17 | 8.61 | 62.58 |
| 2004-05 | 461.54 | 10458.89 | 617.84 | 12487.35 | 8.64 | 68.14 |

(b) Does not arise.

(c) The measures taken by the Government to promote and popularize the khadi and village industry products include providing various direct and indirect incentives through the Khadi and Village Industries Commission, *viz.*, product quality testing at subsidised rates, financial assistance for

†Original notice of the question was received in Hindi.